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Special Purpose Report - Hendricks County, Indiana
Wellington Project - Fiscal Impact Analysis

The attached schedules, listed below, present unaudited and limited financial information for the purpose of discussion and consideration of a proposed development by Beazer Homes - Crossmann Communities in Hendricks County, Indiana. The purpose of this report is to quantify the anticipated fiscal impact that the Wellington project could have on the County and Avon Community School Corporation.

The prospective financial impact calculations reflect assumptions provided by Beazer - Crossmann management relative to the type of development within the various sections of Wellington and the anticipated market value of the ultimate product (residential & business development). We have also obtained additional information from local, county and state officials. The projected revenues are based upon a range of development assumptions provided by Beazer - Crossmann. The pay 2002 property / income tax rates serve as the basis for the revenue projections. Anticipated marginal costs for the County are based upon information provided by the Department of Local Government Finance's 2002 Appropriation Report and the School Corporation provided the estimated expenditures funded by property tax per ADM. Student population estimates were also provided by the School Corporation.

Schedules 1 through 5 represent computed post build out financial impact computations. Estimates resulting from a 12-year build out scenario are presented in Appendix A.

FISCAL IMPACT

Schedule 1 Project Overview

This schedule summarizes the proposed Wellington development, including the number of units, estimated market value, and the assumed true tax value (TTV) (based upon an assumed relationship of 63% of the market value for residential and commercial developments). The computations do not account for changes to the state property tax system that will be implemented for pay 2003. We were unable to use the information for pay 2003 in the computations, as the tax rates have not yet been certified by the Department of Local Government Finance for Hendricks County. Consequently, our calculations for this report are based upon the 2001 pay 2002 tax rates and CAGIT/Property Tax Replacement (PTR) distributions.

Schedule 2 **Estimated Annual Tax Revenues**

This schedule summarizes the proposed project's potential impact on property tax, CAGIT/PTR and intergovernmental revenues for the Township, School District, County, Library and other overlapping taxing units.

Schedule 3 **Estimated Annual County Revenues**

This schedule summarizes the potential annual tax benefit to the County through the County's portion of property tax revenues, CAGIT/PTR and intergovernmental revenues. The project is estimated to generate over \$122,000,000 in additional TTV for the County. The resulting annual revenues, at build out, are anticipated to amount to approximately \$800,000.

Schedule 4 **Estimated Annual Avon Community School Corporation Revenues**

This schedule summarizes the proposed development's potential impact on the Avon Community School Corporation's property tax and PTR. The computed property tax revenues per student for Wellington exceed the 2002 level of property tax support by an estimated \$76 per student at build out. In addition to property tax and PTR revenues, the School District will also receive state aid, excise tax distributions and other miscellaneous revenues that should make up any financial needs beyond what will be generated from property tax revenues.

Schedule 5 **Estimated Intergovernmental Revenues**

This schedule summarizes the proposed development's impact on the County's intergovernmental revenues including MVH and LRS distributions. The project could generate an additional \$46,000 in intergovernmental revenues. The schedule does not include any projections for additional excise and financial institution taxes, which would also increase with the growth of population.

Actual results could vary from the prospective financial impact calculations and the variations could be material. We cannot predict with certainty how the changes in the current property tax system for pay 2003 will affect the actual revenues generated. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

WELLINGTON PROJECT - HENDRICKS COUNTY, INDIANA

FINANCIAL IMPACT ANALYSIS

PROJECT OVERVIEW

<u>PROPOSED PROJECT CONFIGURATION</u>		<u>GROSS ACRES</u>	<u>POTENTIAL TOTAL (EQUIVALENT) UNITS</u>	<u>MARKET VALUE PER UNIT</u>	<u>TOTAL MARKET VALUE</u>	<u>ASSUMED TRUE TAX VALUE</u>
	<u>DISTRICTS</u>					
					ASSUMED A.V. %	63%
Apartments - Eliminated	B	n/a	n/a	n/a	\$0	\$0
Single-family attached	C	28.60	225	\$115,000	25,875,000	16,301,250
Single-family detached	D	58.90	272	130,000	35,360,000	22,276,800
Single-family detached	E	67.40	218	157,500	34,335,000	21,631,050
Single-family detached	F	70.60	168	178,000	29,904,000	18,839,520
Single-family detached	G	84.20	166	225,000	37,350,000	23,530,500
Day Care		2.50				
Civic Space		2.60				
Public Park		18.30				
Ball Fields		5.30				
School Site		40.10				
Retail/Office	A	26.10		Estimated	31,900,000	20,097,000
TOTALS		404.60	1,049		\$194,724,000	\$122,676,120

<u>BREAKDOWN OF PROPOSED COMMERCIAL CONFIGURATION</u>				<u>TOTAL MARKET VALUE</u>	<u>ASSUMED TRUE TAX VALUE</u>
	<u>ACRES</u>	<u>SQ FT</u>	<u>COST/SQ FT</u>		
Retail / Office - District A1 & A2	17.80	200,000	\$110.00	\$22,000,000	\$13,860,000
Office - District A3	8.30	90,000	\$110.00	9,900,000	6,237,000
				\$31,900,000	\$20,097,000

SEE ACCOUNTANT'S REPORT

Schedule 1

WELLINGTON PROJECT - HENDRICKS COUNTY, INDIANA

FINANCIAL IMPACT ANALYSIS

ESTIMATED ANNUAL TAX REVENUES

PROPOSED PROJECT CONFIGURATION

	<u>DISTRICTS</u>	<u>ASSUMED TRUE TAX VALUE</u>	<u>WASHINGTON TOWNSHIP</u>	<u>SCHOOL DISTRICT</u>	<u>HENDRICKS COUNTY</u>	<u>LIBRARY</u>	<u>OTHER TAXING UNITS</u>	<u>TOTALS</u>
	TAX RATES - PAY 02		\$0.2244	\$2.4111	\$0.3358	\$0.0662	\$0.0033	\$3.0408
Apartments - Eliminated	B	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Single-family attached	C	16,301,250	36,580	393,039	54,740	10,791	538	495,688
Single-family detached	D	22,276,800	49,989	537,116	74,805	14,747	735	677,392
Single-family detached	E	21,631,050	48,540	521,546	72,637	14,320	714	657,757
Single-family detached	F	18,839,520	42,276	454,240	63,263	12,472	622	572,873
Single-family detached	G	23,530,500	52,802	567,344	79,015	15,577	777	715,515
Retail/Office	A	20,097,000	45,098	484,559	67,486	13,304	663	611,110
TOTAL ANNUAL PROPERTY TAXES		122,676,120	275,285	2,957,844	411,946	81,211	4,049	3,730,335
CAGIT/PTR			228,487	177,471	341,914	67,405		815,277
MISC. TAX REVENUE					45,700			45,700
TOTAL ANNUAL REVENUES		<u>\$122,676,120</u>	<u>\$503,772</u>	<u>\$3,135,315</u>	<u>\$799,560</u>	<u>\$148,616</u>	<u>\$4,049</u>	<u>\$4,591,312</u>

WELLINGTON PROJECT - HENDRICKS COUNTY, INDIANA

FINANCIAL IMPACT ANALYSIS

ESTIMATED ANNUAL COUNTY REVENUES

	<u>Apartments (B)</u> <u>Eliminated</u>	<u>Single-family</u> <u>Attached (C)</u>	<u>Single-family</u> <u>Detached (D)</u>	<u>Single-family</u> <u>Detached (E)</u>	<u>Single-family</u> <u>Detached (F)</u>	<u>Single-family</u> <u>Detached (G)</u>	<u>Retail/</u> <u>Office (A)</u>	<u>Total</u> <u>Proposed</u> <u>Development</u>
Acreage	n/a	28.60	58.90	67.40	70.60	84.20	26.10	335.80
Number of Units	n/a	225	272	218	168	166	-	1,049
Market Value per Unit	n/a	\$115,000	\$130,000	\$157,500	\$178,000	\$225,000	-	
Total Market Value	\$0	\$25,875,000	\$35,360,000	\$34,335,000	\$29,904,000	\$37,350,000	\$31,900,000	\$194,724,000
Assumed True Tax Value	\$0	\$16,301,250	\$22,276,800	\$21,631,050	\$18,839,520	\$23,530,500	\$20,097,000	\$122,676,120
County Property Tax \$0.3358 per \$100 TTV	\$0	\$54,740	\$74,805	\$72,637	\$63,263	\$79,015	\$67,486	\$411,946
County CAGIT/Property Tax Replacement \$0.83 /dollar of prop. tax	\$0	\$45,434	\$62,088	\$60,289	\$52,508	\$65,582	\$56,013	\$341,914
	<u>\$0</u>	<u>\$100,174</u>	<u>\$136,893</u>	<u>\$132,926</u>	<u>\$115,771</u>	<u>\$144,597</u>	<u>\$123,499</u>	<u>\$753,860</u>
Intergovernmental Revenue								<u>45,700</u>
Potential Annual Benefit to County								<u>\$799,560</u>

NOTE: Based upon 2001 pay 2002

SEE ACCOUNTANT'S REPORT
Schedule 4

WELLINGTON PROJECT - HENDRICKS COUNTY, INDIANA

FINANCIAL IMPACT ANALYSIS

ESTIMATED INTERGOVERNMENTAL REVENUES

MEASUREMENT BASIS:		MVH/LRS DISTRIB.	TOTAL MISC REVENUE
PER CAPITA		RATE	
		\$9.91	
PER ROAD MILE		RATE	
		\$2,200.65	
<u>PROPOSED DEVELOPMENT:</u>			
ESTIMATED POPULATION		2,573	\$25,498
NEW ROAD MILES		9.18	20,202
TOTAL ESTIMATED MISCELLANEOUS REVENUES		\$45,700	\$45,700

NOTE: Average town rates per capita and per mile were provided by the Auditor's Office of the State of Indiana.

WELLINGTON PROJECT - HENDRICKS COUNTY, INDIANA

ANTICIPATED ANNUAL TAX REVENUES FOR THE COUNTY

<u>YEAR</u>		<u>ESTIMATED POPULATION</u>	<u>ESTIMATED ANNUAL PROPERTY TAXES</u>	<u>ESTIMATED ANNUAL INCOME TAXES</u>	<u>TOTAL ANNUAL REVENUES</u>	<u>ASSUMED ANNUAL COSTS</u> \$173	<u>ESTIMATED ANNUAL MARGINAL CASH FLOW</u> PER PERSON	<u>PRESENT VALUE</u> 4.50%
1	2004	214	\$	\$	\$ -	\$37,022	(\$37,022)	(\$35,428)
2	2005	428				74,044	(74,044)	(67,804)
3	2006	642	28,705	23,825	52,530	111,066	(58,536)	(51,295)
4	2007	856	57,410	47,650	105,060	148,088	(43,028)	(36,082)
5	2008	1,070	91,514	74,276	165,790	185,110	(19,320)	(15,503)
6	2009	1,284	124,943	100,901	225,844	222,132	3,712	2,850
7	2010	1,498	160,397	130,328	290,725	259,154	31,571	23,199
8	2011	1,712	195,850	159,754	355,604	296,176	59,428	41,789
9	2012	1,926	234,678	189,180	423,858	333,198	90,660	61,006
10	2013	2,140	270,132	218,607	488,739	370,220	118,519	76,318
11	2014	2,354	305,585	248,033	553,618	407,242	146,376	90,197
12	2015	2,573	344,413	277,459	621,872	445,129	176,743	104,219
13	2016	2,573	383,241	318,088	701,329	445,129	256,200	144,566
14	2017	2,573	411,946	341,914	753,860	445,129	308,731	166,706
15	2018	2,573	411,946	341,914	753,860	445,129	308,731	159,528
16	2019	2,573	411,946	341,914	753,860	445,129	308,731	152,658
17	2020	2,573	411,946	341,914	753,860	445,129	308,731	146,084
18	2021	2,573	411,946	341,914	753,860	445,129	308,731	139,794
19	2022	2,573	411,946	341,914	753,860	445,129	308,731	133,774
20	2023	2,573	411,946	341,914	753,860	445,129	308,731	128,013
TOTALS			<u><u>\$5,080,490</u></u>	<u><u>\$4,181,499</u></u>	<u><u>\$9,261,989</u></u>	<u><u>\$6,449,613</u></u>	<u><u>\$2,812,376</u></u>	<u><u>\$1,364,586</u></u>

KEY ASSUMPTIONS:

Assumes 2 year lag in revenue collection.

Assumed annual costs amount to \$173 / person. Assumes 75% of the 2002 budget is attributable to the population.

Population figure from the 2000 census.

Retail/Office will be phased in from Year 5 through Year 13 as follows:

Year 5	8% completion
Year 6	15% completion
Year 7	25% completion
Year 8	35% completion
Year 9	50% completion
Year 10	60% completion
Year 11	70% completion
Year 12	85% completion
Year 13	100% completion

SEE ACCOUNTANT'S REPORT

APPENDIX A PAGE 1A

12 YEAR BUILDOUT

WELLINGTON PROJECT - HENDRICKS COUNTY, INDIANA

COMPARISON OF ANTICIPATED ANNUAL PROPERTY TAX REVENUES FOR AVON COMMUNITY SCHOOL CORP.
WITH CURRENT PROPERTY TAX REVENUES PER A.D.M.

<u>YEAR</u>		<u>ESTIMATED STUDENT POPULATION</u>	<u>ESTIMATED ANNUAL TAXES</u>	<u>EXPENDITURES FUNDED BY TAXES</u>	<u>ESTIMATED ANNUAL MARGINAL PROPERTY TAX</u>	<u>PRESENT VALUE</u>
				\$4,831	PER A.D.M.	4.50%
1	2004	27	\$ -	\$130,437	(\$130,437)	(\$124,820)
2	2005	82	0	396,142	(396,142)	(362,759)
3	2006	137	218,474	661,847	(443,373)	(388,526)
4	2007	192	436,948	927,552	(490,604)	(411,402)
5	2008	247	696,513	1,193,257	(496,744)	(398,613)
6	2009	302	950,941	1,458,962	(508,021)	(390,107)
7	2010	357	1,220,778	1,724,667	(503,889)	(370,272)
8	2011	412	1,490,616	1,990,372	(499,756)	(351,421)
9	2012	467	1,786,135	2,256,077	(469,942)	(316,226)
10	2013	522	2,055,972	2,521,782	(465,810)	(299,948)
11	2014	577	2,325,809	2,787,487	(461,678)	(284,485)
12	2015	639	2,621,328	3,087,009	(465,681)	(274,595)
13	2016	639	2,916,847	3,087,009	(170,162)	(96,018)
14	2017	639	3,135,315	3,087,009	48,306	26,084
15	2018	639	3,135,315	3,087,009	48,306	24,961
16	2019	639	3,135,315	3,087,009	48,306	23,886
17	2020	639	3,135,315	3,087,009	48,306	22,857
18	2021	639	3,135,315	3,087,009	48,306	21,873
19	2022	639	3,135,315	3,087,009	48,306	20,931
20	2023	639	3,135,315	3,087,009	48,306	20,030
TOTALS			<u>\$38,667,566</u>	<u>\$43,831,663</u>	<u>(\$5,164,097)</u>	<u>(\$3,908,570)</u>

Notes: Per Avon Community School Corp. Officials - 2002 Property Tax and PTR Revenues per A.D.M.

Assumes 2 year lag in revenue collection.

Retail/Office will be phased in from Year 5 through Year 13 as follows:

Year 5	8% completion
Year 6	15% completion
Year 7	25% completion
Year 8	35% completion
Year 9	50% completion
Year 10	60% completion
Year 11	70% completion
Year 12	85% completion
Year 13	100% completion